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1 July 1953

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MEMORANDUM FOR MR. DULLES:

SUBJECT: O/NE Staff Comments on U.S. Objectives with Respect to Korea
Following an Armistice dated 25 June 1953.

1. Although from the point of view of U.S. global interests the policy recommended would be more desirable than a truncated Korea, from the point of view of intelligence the policy recommended is not attainable.

2. The argument of paragraph 5, designed to support the proposition that the Communists "might conceivably" regard a neutralized, unified Korea under a substantially unchanged ROK as preferable to a truncated Korea, omits certain considerations and gives insufficient weight to others which, when taken together, would surely make the chances of Communist acceptance even more remote than "might conceivably."

a. The Communists consider they have fought the U.S. to at least a draw in Korea, and probably feel they have won a limited victory. In this situation they would be most unlikely to withdraw and turn Korea over to a "neutralized" unified Korea "with a U.S. political orientation." They would not believe that, having withdrawn their influence and forces, the ROK would remain neutralized. They would fear a re-entry of U.S. military power directly, or a gradual extension of U.S.-backed Japanese influence and power. In time, they would feel confident that either the U.S. or Japan would be in a position to threaten Manchuria and the Soviet Maritime from northern Korea.

b. Until there is a basic change in the nature and objectives of international Communism as directed by Moscow and Peiping, it is beyond the realm of possibility that the USSR would freely and without the gravest duress permit the dissolution of a Peoples Government which has been given formal diplomatic recognition, supported in military operations against the UN, and frequently commended for its "heroic struggle." There is no evidence of any such change in the objectives of Moscow and Peiping.

c. As for North Korea being an economic liability, this is probably a minor consideration since the USSR will not strain its resources to assist in the rehabilitation of North Korea.

3. The Communist position on a unified, neutralized Korea would probably not be altered even if accompanied by a US proposal for a neutralization of Taiwan.

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4. It is unlikely that the adoption of this policy would, by itself, affect Rhee's present recalcitrant stand against an armistice, since he would not believe it had any chance of success.

5. Since there is no chance of the Communists finally agreeing to such a proposal, the US will have to fall back on the alternative of a truncated Korea. It would seem unfortunate, therefore, if consideration of a neutralized, unified Korea were permitted to delay implementation of a general program of the type recommended by the Tasea Report for the military and economic strengthening of the ROK.

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